

Crowdfunding Side-By-Side

	H.R. 2930	S. 1791	S. 1970
Aggregate Annual Offering Cap	\$1 million, or \$2 million if the issuer provides audited financial statements to investors.	\$1 million	\$500,000 if the issuer provides reviewed financial statements to investors; \$1 million if the financial statements are audited.
Individual Annual Cap Per Issue	The lesser of \$10,000 or 10% of the investor's annual income.	\$1,000	\$500 for investors with annual income less than \$50,000; 1% of annual income for investors with income between \$50,000 and \$100,000; 2% for investors making more than \$100,000.
Individual Aggregate Cap			\$2,000 for investors with income less than \$50,000; 4% of income for investors between \$50,000 and \$100,000; 8% for investors over \$100,000.
Preemption	SEC must make filing information available to the states, but state securities registration is preempted.	State registration is preempted, except that the issuer's state of incorporation or any state in which investors purchase 50% of the securities may require a state filing (of whatever SEC requires) and fee.	No preemption, and the SEC must make filing information available to the states.
Incorporation Requirements		Issuer must be an incorporated entity.	Issuer must be organized under the laws of a state (not limited to corporations)
Use of Intermediary	Issuers are not required to use an intermediary.	Intermediary is required.	Intermediary is required.
Regulation of Intermediary	An intermediary is excluded from definitions of broker and dealer but is required to maintain books and records as the SEC deems appropriate.	An intermediary is excluded from definitions of broker and dealer but is required to maintain books and records as the SEC deems appropriate.	An intermediary must register as either a broker or a "funding portal" that is subject to examination and such other requirements as the SEC adopts by rule.
SEC Notice Requirements	Notice required no later than the first day of solicitation.	Notice required no later than the first day of solicitation.	Notice required one month prior to offer.

	<p>The notice must include contact information for the issuer, identification of its principals, the intended use of proceeds, the target offering amount.</p> <p>A notice must also be filed upon completion of the offering.</p>	The SEC can prescribe the content of the notice by rule.	<p>Notice must include contact information for the issuer and its principals, its business plan, the intended use of proceeds, the target offering amount and deadline, and the price and other information concerning the security.</p> <p>Quarterly reports must also be filed.</p>
Escrow of Proceeds	Escrow required until 60% of target offering amount is raised.	Escrow required until 60% of target offering amount is raised.	Escrow required until 100% of target offering amount is raised.
Disclosures	Intermediary or issuer must warn investors of investment risks and the 1-year restriction on sale of crowdfunding issue	<p>Intermediary must warn investors of investment risks and the 1-year restriction on sale of crowdfunding issue.</p> <p>Issuer must disclose rights of investors and complete information about the risks, obligations, benefits, history and costs of offering.</p>	Intermediary must provide disclosures related to risks and other investor education as the SEC requires by rule.
Duties of Intermediary	<ul style="list-style-type: none"> take reasonable measures to reduce the risk of fraud, require investors to demonstrate competency in recognizing the risks of investment, make a method of communication for issuers and investors to communicate; provide SEC with continuous investor-level access to intermediary's website, not offer investment advice. <p>NOTES:</p> <ul style="list-style-type: none"> If intermediary is not used, the issuer must perform these duties. 	<ul style="list-style-type: none"> take reasonable measures to reduce the risk of fraud, require investors to demonstrate competency in recognizing the risks of investment, make a method of communication for issuers and investors to communicate; provide SEC with continuous investor-level access to intermediary's website, not offer investment advice; be open and accessible to the general public; prohibit employees from investing in offerings made through the 	<ul style="list-style-type: none"> take measures as required by the SEC to reduce the risk of fraud. require investors to demonstrate competency in recognizing the risks of investment, and to affirm their ability to bear losses. monitor and enforce the aggregate individual investment limit. protect the privacy of investor information. not offer investment advice unless registered as broker. prohibit employees of intermediary from having any financial interest in an issuer. not pay finders or lead

	<ul style="list-style-type: none"> The issuer or intermediary may rely on certifications provided by an investor to verify investor's income. 	<p>crowdfunding intermediary;</p> <ul style="list-style-type: none"> not have any financial interest in the companies posting offerings through the crowdfunding intermediary; make available a process for raising and resolving complaints, including alternatives if the intermediary is unable to resolve a dispute. 	<p>generators.</p> <ul style="list-style-type: none"> not advertise the specific details of an offering.
Bad Boy Disqualification	<p>Disqualification for issuers.</p> <p>The intermediary, if used, must perform background check on issuer's principals.</p>	<p>Disqualification for issuers and intermediaries.</p> <p>The intermediary must perform background check on issuer's principals.</p>	<p>Disqualification for issuers and intermediaries.</p> <p>The intermediary must perform criminal and regulatory background check on issuer's principals.</p>
Holding period	1 year holding period before resale, unless the securities are sold to the issuer or an accredited investor.	1 year holding period.	2 year holding period, unless the securities are sold to the issuer, an accredited investor, or family member.
"Held of Record"	Purchasers are excluded from definition of 'held of record' in 12(g) of the 34 Act.	Purchasers are excluded from definition of 'held of record' in 12(g) of the 34 Act.	The SEC <i>may</i> exclude purchasers from definition of 'held of record' in 12(g) of the 34 Act.